

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the October 17, 2014 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board
Summary Minutes of the Regular Business Meeting
Owensboro Convention Center
Owensboro, Kentucky
October 17, 2014**

Call to Order

Commissioner James Comer, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 9:05 a.m. (CT).

Roll Call

The following members were present: Kenny Burdine; Wayne Hunt; Larry Jagggers; Aaron Miller; Doug Lawson; Tom Midkiff (designee for Secretary Lori Flanery); and Commissioner James R. Comer.

Members absent: Frank Penn; Westy Adams; George Begley; Frank McAninch; Linda Rumpke

Notification of Media

Commissioner Comer received verification from Sandra Gardner, Director of Communications, that the media has been notified of the KAFC board meeting.

Welcome

Commissioner Comer welcomed everyone to the meeting.

Commissioner Comer highlighted his recent activity throughout the state and the success of the Kentucky Proud program.

Approval of Minutes

Commissioner Comer entertained a motion to approve the minutes of the September 5, 2014 KAFC board meeting.

Mr. Jagggers moved to approve the minutes, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous

Executive Director's Report

Commissioner Comer yielded the floor to Roger Thomas, Executive Director, Governor's Office of Agricultural Policy (GOAP) to give his report to the board.

Mr. Thomas reported to the board regarding various meetings and events GOAP staff had attended since the last board meeting.

Director of Financial Services Report

Commissioner Comer called on Bill McCloskey, Director of Financial Services, to give his report to the board.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (on file with the Board Coordinator) as of September 30, 2014.

KAFC Statement of Financial Position		
As of September 30, 2014		
Assets		
Cash KAFC Accounts	\$	14,721,499
Loan Payments Due KAFC		
Category A	\$	33,818,409
Category B	\$	168,314
Category C	\$	68,679
	\$	34,055,402
Total Assets	\$	48,776,900
Liabilities		
KAFC loans approved not closed	\$	8,394,557
Loans Outstanding	\$	34,055,402
Total Liabilities	\$	42,449,958
Unobligated Assets	\$	6,326,942
Total Liabilities & Unobligated Assets	\$	48,776,900

Commissioner Comer entertained a motion to approve the KAFC Statement of Financial Position.

Mr. Miller moved to approve the KAFC Statement of Financial Position; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous

Loan Committee Report

Commissioner Comer yielded the floor to Mr. Lawson to give the Loan Committee Report.

Mr. Lawson stated the Loan Review Committee met at 12:00 p.m. (CT) on October 16 and 8:00 a.m. (CT) on October 17 to review the following loan and reported the committee's recommendations.

AF14-0085 Taylor, Ron and Jamia

The committee approved \$150,000 of the \$250,000 requested for the renovation and fit-up of a distilling operation in Jefferson County.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF14-0077 Smith, Anthony, TR, and Evan

Applicants requested \$40,000 for the construction of a grain bin in Washington County. Central Kentucky ACA in Lebanon, Kentucky is the participating lender.

Staff recommended loan approval.

Dr. Burdine moved to approve the staff recommendation, as presented, pending fund availability; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0082 Futrell, Chase and Chelsea

Applicants requested \$34,600 for the construction of a tobacco barn in Calloway County. The Murray Bank in Murray, Kentucky is the participating lender.

Staff recommended loan approval.

Mr. Hunt moved to approve the staff recommendation, as presented, pending fund availability; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0083 Southerland, Will and Cindy

Applicants requested \$60,000 for the purchase and installation of a broiler system in Bourbon County. Central Kentucky ACA in Paris, Kentucky is the participating lender.

Staff recommended loan approval.

Mr. Jagers moved to approve the staff recommendation, as presented, pending fund availability; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0086 Gingerich, Lester

Applicants requested \$75,000 for the purchase and installation of a wood pellet burner in Cumberland County. South Central Bank of Barren County in Glasgow, Kentucky is the participating lender.

Staff recommended loan approval.

Mr. Miller moved to approve the staff recommendation, as presented, pending fund availability; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0087 Wilson, James

Applicants requested \$150,000 for the construction of a pullet house in Warren County. Farm Credit Mid-America in Bowling Green, Kentucky is the participating lender.

Staff recommended loan approval, contingent on FSA approval and obligation of funds.

Mr. Lawson moved to approve the staff recommendation, as presented, pending fund availability; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0090 Cox, Nathan

Applicants requested \$30,000 for the purchase and installation of a grain bin in Taylor County. United Citizens Bank of Southern KY in Campbellsville, Kentucky is the participating lender.

This loan was approved by staff on 10/06/2014 based upon loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

No action necessary.

Agricultural Processing Loan Program

AF14-0085

Taylor, Ron and Jamia

Applicants requested \$250,000 for the renovation and fit-up of a distilling operation in Jefferson County. Traditional Bank in Mt. Sterling, Kentucky is the participating lender.

The loan review committee recommended approving \$150,000 of the requested amount.

Mr. Lawson moved to approve the committee recommendation, as presented, pending fund availability; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous

Beginning Farmer Loan Program (BFLP)

AF14-0084 Phelps, Jordan and Bailey

Applicants requested \$250,000 for the purchase of 478 acres in Ohio County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Staff recommended loan approval.

Mr. Midkiff moved to approve the staff recommendation, as presented, pending fund availability; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0088 Mattingly, Brad and Jessica

Applicants requested \$212,500 for the purchase of 105 acres in Washington County. Central Kentucky ACA in Lebanon, KY is the participating lender.

Staff recommended loan approval.

Mr. Hunt moved to approve the staff recommendation, as presented, pending fund availability; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0089 Clark, Bradley

Applicants requested \$71,500 for the purchase of 51 acres in Marion County. Central Kentucky ACA in Lebanon, KY is the participating lender.

Staff recommended loan approval, contingent on FSA approval and obligation of funds.

Dr. Burdine moved to approve the staff recommendation, as presented, pending fund availability; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business

AF13-0008 Tackett, Amos

Mr. McCloskey presented a memorandum (on file with the Board Secretary) regarding the above referenced loan. The loan officer requested a 3 month extension on behalf of Mr. Tackett. Loan closings have been delayed due to unforeseen construction issues, changes in house plans, ongoing contractor difficulties and FSA funding. This extension will allow adequate time for all issues to be resolved and closing completed. The new expiration date would be January 5, 2014. This is the 3rd extension request for this applicant.

Staff recommends approval of this request.

Mr. Jagers moved to approve the staff recommendation; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

Extensions

AF13-0057	Seay, James Dale
AF14-0016	Woods, Jesse Clint
AF14-0048	Austin, Bryan Adam

No action necessary.

Paid in Full

AF09-0011	Ross, David
AF10-0006	Land, Lowell

No action necessary.

Closing Remarks

The next meeting of the KAFC Board will be Friday, December 5, 2014 at 1:00 p.m. EST at the Galt House in the Morrow Room, 140 N 4th Street, Louisville, KY

Adjournment

Commissioner Comer entertained a motion to adjourn.

Mr. Jagers moved to adjourn the KAFC board meeting; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous

The KAFC board meeting adjourned at 9:48 a.m. (CT).

APPROVED DATE:

12/5/14

PRESIDING OFFICER:

Steve Kelly

BOARD SECRETARY:

Ray Arnold
Ray Arnold, Boards Coordinator